

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	30 June 2021	30 June 2020	31 December 2020
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	1,982,160	1,920,499	1,982,266
Current assets	279,293	309,386	250,267
Total assets	2,261,453	2,229,885	2,232,533
EQUITY AND LIABILITIES			
Owners' interests	1,629,194	1,609,612	1,562,516
Non-current liabilities	445,367	449,250	451,801
Current liabilities	186,892	171,023	218,216
Total equity and liabilities	2,261,453	2,229,885	2,232,533

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended	Year Ended	
	30 June 2021	30 June 2020	31 December 2020
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash used in operating activities	(41,742)	(94,449)	(120,869)
Net cash generated from/(used in) investing activities	63,345	(90,029)	(79,609)
Net cash (used in)/generated from financing activities	(5,275)	253,201	250,819
Increase in cash and cash equivalents	16,328	68,723	50,341
Movement in cash and cash equivalents			
At 1 January,	(18,901)	(69,242)	(69,242)
Increase	16,328	68,723	50,341
At 30 June/31 December,	(2,573)	(519)	(18,901)

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000
Unaudited six months to 30 June 2021			
Revenue from external customers	15,943	15,213	31,156
Operating profit/(loss)	11,927	(7,559)	4,368
Unaudited six months to 30 June 2020			
Revenue from external customers	14,471	16,657	31,128
Operating loss	(8,780)	(1,524)	(10,304)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended	Quarter ended		Year Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing operations					
Revenue	31,156	31,128	18,312	19,053	135,883
Operating profit/(loss) before impairment of bearer plants (Impairment)/reversal of impairment of bearer plants	4,368	(8,881)	8,039	1,507	(42,621)
Operating profit/(loss)	4,368	(10,304)	10,097	858	(49,181)
Other income	7,184	919	3,926	845	6,051
Share of result of associates	810	1,000	45	(88)	898
Profit on disposal of land	70,045	20,975	49,725	14,965	45,727
Other expenses	-	(122)	-	(122)	(135)
Profit before finance costs	82,407	12,468	63,793	16,458	3,360
Finance costs	(10,431)	(8,480)	(5,337)	(4,264)	(19,405)
Profit/(loss) before taxation	71,976	3,988	58,456	12,194	(16,045)
Taxation	657	26	344	(56)	8,185
Profit/(loss) from continuing operations	72,633	4,014	58,800	12,138	(7,860)
(Loss)/profit from discontinued operations	(1,875)	23,243	(1,348)	(844)	25,845
Profit for the period/year	70,758	27,257	57,452	11,294	17,985
Other comprehensive (loss)/income for the period/year	(4,080)	(433)	21	(243)	(31,239)
Total comprehensive income/(loss) for the period/year	66,678	26,824	57,473	11,051	(13,254)
Results attributable to:					
Owners of the parent	70,758	23,009	57,452	11,294	13,239
Non-controlling interests	-	4,248	-	-	4,746
	70,758	27,257	57,452	11,294	17,985
Total comprehensive income/(loss) attributable to:					
Owners of the parent	66,678	22,576	57,473	11,051	(18,000)
Non-controlling interests	-	4,248	-	-	4,746
	66,678	26,824	57,473	11,051	(13,254)
Earnings/(loss) per share					
- Continuing operations	Rs. 3.84	0.21	3.11	0.64	(0.42)
- Continuing and discontinued operations	Rs. 3.74	1.22	3.04	0.60	0.70
Number of ordinary shares ('000)	18,900	18,900	18,900	18,900	18,900

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Balance at 1 January 2021	1,890	1,684,557	(123,931)	1,562,516	-	1,562,516
Profit for the year	-	-	70,758	70,758	-	70,758
Other comprehensive loss for the period	-	(4,080)	-	(4,080)	-	(4,080)
Total comprehensive income for the period	-	(4,080)	70,758	66,678	-	66,678
Revaluation surplus released on disposal of land	-	(39,307)	39,307	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment	-	(2,090)	2,090	-	-	-
Balance at 30 June 2021	1,890	1,639,080	(11,776)	1,629,194	-	1,629,194
THE GROUP	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Balance at 1 January 2020	18,900	2,211,292	64,417	2,294,609	115,832	2,410,441
Profit for the year	-	-	23,009	23,009	4,248	27,257
Other comprehensive loss for the year	-	(433)	-	(433)	-	(433)
Total comprehensive income for the year	-	(433)	23,009	22,576	4,248	26,824
Capital reduction	(17,010)	-	17,010	-	-	-
Shares distributed in lieu of dividends	-	-	(757,573)	(757,573)	-	(757,573)
Deconsolidation adjustments	-	(481,468)	531,468	50,000	(120,080)	(70,080)
Revaluation surplus released on disposal of land	-	(9,757)	9,757	-	-	-
Balance at 30 June 2020	1,890	1,719,634	(111,912)	1,609,612	-	1,609,612

NOTES

- The interim condensed financial statements for the period ended 30 June 2021 are unaudited. The accounting policies and standards used in the preparation of these interim condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2020, except for the adoption of relevant amendments to published Standards and Interpretations subsequently issued, now effective. This interim report complies with IAS 34 "Interim Financial Reporting".
- The activities of the company consist of growing and cultivation of sugar cane and other agricultural products. Due to the seasonal nature of the business in which the company operates, turnover is generated during harvest season, that is between July and December. The operating subsidiary is engaged in management services.
- Performance review
 - The revenue of the group for the period under review amounted to Rs 31m which was at par with last year.
 - The Group's operating results for the first semester improved from a loss of Rs 10m last year to a profit of Rs 4m in 2021. This is mainly attributable to a favourable fair value gain movement of Rs 15m in standing cane valuation and costs containment of Rs 5m in the Agro segment.
 - Profit on disposal of land for the period ended 30 June 2021 amounted to Rs 70m.

- All the above resulted in a profit from continuing operations of Rs 73m for the first semester 2021 compared to Rs 4m for the same semester last year.
- On 29 December 2020, the Group entered into a bilateral agreement to dispose of its wholly owned subsidiary, Les Lodges d'Union Ltée and a net loss of Rs 2m has been recognised for the first semester 2021 under discontinued operations. The disposal is expected to be completed in August 2021. Figures for last year included 1.5 months' of operation for Southern Cross Tourist Company Limited which is no longer a subsidiary of USE since 12 February 2020.
- In the national budget speech, the Government announced a National Biomass Framework which caters for a better remuneration of sugarcane bagasse in its effort to support green electricity production in the country. As such, the Group will benefit from an additional remuneration of Rs 3,300 per tonne of sugar accrued as from crop 2021 with regards to electricity production from bagasse. This measure is most welcomed and will contribute to the sustainability of the cane industry in the future.
- The SIFB has declared crop 2020 to be an event year on account of drought for Omnicanic and Alteo enlarged factory areas and the Group has obtained a compensation of Rs 7.8m in July 2021.

By Order of the Board

Navitas Corporate Services Ltd
Company Secretary

This 13th August 2021

The Board of Directors accepts full responsibility for the accuracy of the information contained in the above unaudited condensed financial statements. Copies of the unaudited condensed financial statements are available to the public, free of charge, at Union Corporate Limited, Riche en Eau, St Hubert. The Statement of interests of officers of the company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request to the Company Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.

This statement is issued pursuant to DEM RULE 17 and Securities Act 2005.